



MEMORANDUM

TO: Beverly R. Cameron, City Manager
FROM: Mark Whitley, Assistant City Manager
RE: Reservation of Motor Fuels Tax for Transportation Projects
DATE: July 16, 2012

ISSUE

The City Council is asked to reserve motor fuels tax for three transportation projects:

- 1) Fall Hill Avenue Bridge over the Rappahannock Canal
- 2) Littlepage Street Reconstruction
- 3) Replacement of U.S. 1 Bridge over Hazel Run (engineering).

RECOMMENDATION

The staff recommends adoption of the attached resolution, which requires only one reading.

BACKGROUND

The City currently has a major transportation project underway to replace the bridge of Fall Hill Avenue over the Rappahannock Canal. The project is being done as a VDOT Revenue Sharing project, so that the City must pay roughly half the cost, with VDOT paying for the other half.

Earlier in the agenda, the City Council considered a resolution to release prior allocations of motor fuels taxes for older Revenue Sharing projects. The City has requested that VDOT move prior balances of the older Revenue Sharing projects over to the Fall Hill Avenue bridge project. The reservation of motor fuels taxes for this project would allow the City to use this source as the match for project costs.

In addition, the City has recently received notification that the Virginia Department of Transportation awarded the City's request for Revenue Sharing projects for FY 2013. The City has requested \$200,000 for the reconstruction of Littlepage Street between Hanover Street and Lafayette Boulevard. The other request was for \$231,800 for the preliminary engineering of the replacement of the Route One Bridge over Hazel Run. The City would be responsible for half these costs, and the Virginia Department of Transportation would be responsible for the other half.

FISCAL IMPACT

This action will allocate a total of \$915,900 in designated surplus motor fuels taxes for use on other transportation projects.

Fall Hill Avenue Bridge Replacement

The City has a total allocation of \$485,000 for this project remaining from prior allocations. In addition, the City allocated \$500,000 of fund balance to this project at the close of FY 2011. The current revenue sharing project is \$2,860,000 – of which half (\$1,430,000) would need to come from local funds. The attached resolution would dedicate \$1,685,000 in local funds to this project. This will cover the required local match for the project, and provide an additional contingency of \$255,000. If this proves unnecessary, the City will be able to release these funds for other transportation purposes.

VDOT Revenue Sharing Projects for FY 2013

The attached resolution would reserve the City's motor fuels tax for the matching funds on the two projects. The local funds would be \$100,000 for the reconstruction of Littlepage Street and \$115,900 for the preliminary engineering of the replacement of the Route One Bridge over Hazel Run.

Attachments: Resolution Reserving Surplus Motor Fuels Taxes for Fall Hill Avenue Bridge over Rappahannock Canal



MOTION:

SECOND:

**July 24, 2012
Regular Meeting
Resolution No. 12-__**

**RE: AUTHORIZING USE OF \$915,900 OF MOTOR FUELS TAX FUNDS FOR
VARIOUS TRANSPORTATION PROJECTS**

ACTION:

WHEREAS, the City of Fredericksburg (“the City”) is a member of the Potomac and Rappahannock Transportation District (the “District”), a transportation district created pursuant to the Transportation District Act of 1964 (Code of Virginia, §§15.2-4500, et seq.); and

WHEREAS, the Potomac and Rappahannock Transportation Commission (“PRTC”) is the governing body of the District; and

WHEREAS, the Commonwealth of Virginia levies a 2.1 percent tax on motor fuel distributed for sale in the District, which participates in the operation of a rail commuter mass transportation system (Code of Virginia §58.1-1720); and

WHEREAS, all taxes paid to the State Tax Commissioner, after subtraction of the direct costs of administration by the Tax Department, are deposited in a special fund held by the District (Code of Virginia §58.1-1724); and

WHEREAS, in Fiscal Year 2013, the City is obligated to provide funds from its motor fuels tax account in the amounts of \$421,616 for the Virginia Railway Express, and \$26,600 for administrative expenses of the PRTC; and

WHEREAS, as of June 30, 2011, the Total Unencumbered Fund Balance in the City’s motor fuels tax account is approximately \$1.4 million; and

WHEREAS, as of the March 2012 report, the City and the PRTC estimates that during Fiscal Year 2012, the City will collect additional motor fuels tax revenue of \$1.7 million; and

WHEREAS, at the request of the member jurisdiction, surplus revenue from the motor fuels tax may be expended for any transportation purpose (Code of Virginia, §58.1-1724); and

WHEREAS, the City is currently engaged in a multi-year project to replace the bridge of Fall Hill Avenue over the Rappahannock Canal; and

WHEREAS, the City wishes to reconstruct Littlepage Street; and

WHEREAS, the City and the Virginia Department of Transportation will be partnering to perform preliminary engineering on the replacement of the U.S. Highway One bridge over Hazel Run; and

WHEREAS, the City desires to use a portion of the surplus revenue from its motor fuels tax account for these purposes.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Fredericksburg, Virginia, does hereby request PRTC to budget and appropriate the following amounts for these projects:

Littlepage Street Reconstruction	\$	100,000
Engineering on U.S. One Bridge Replacement		115,900
Replacement of Fall Hill Ave. Bridge over Rappahannock Canal	\$	<u>700,000</u>
Total	\$	915,900

BE IT FURTHER RESOLVED that the City Manager is hereby authorized and directed to submit to PRTC requests for reimbursement of expenses incurred by the City in connection with this project.

Votes:

Ayes:

Nays:

Absent from Vote:

Absent from Meeting:

Clerk's Certificate

I, the undersigned, certify that I am Clerk of Council of the City of Fredericksburg, Virginia, and that the foregoing is a true copy of Resolution No. 12-____ duly adopted the City Council meeting held July 24, 2012 at which a quorum was present and voted.

Tonya B. Lacey, CMC
Clerk of Council